

Message Text

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50/64

ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 SSO-00 NSCE-00 USIE-00 INRE-00

CIAE-00 DODE-00 PM-03 H-01 INR-05 L-01 NSAE-00 NSC-05

PA-01 RSC-01 PRS-01 SP-02 SS-15 SAJ-01 OMB-01 EB-04

TRSE-00 SIL-01 LAB-01 CIEP-01 /063 W

----- 014475

O R 251956Z OCT 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 3603

AMEMBASSY MOSCOW IMMEDIATE

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY ROME

USMISSION EC BRUSSELS

AMCONSUL BORDEAUX

AMCONSUL LYON

AMCONSUL MARSEILLE

AMCONSUL MARTINIQUE

AMCONSUL NICE

AMCONSUL STRASBOURG

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C O R R E C T E D C O P Y (DATE TIME GROUP TO READ 251956Z VICE
281256Z)

MOSCOW FOR SECRETARY'S PARTY

E.O. 11652: N/A

TAGS: PGOV, FR

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SUBJECT: GISCARD PRESS CONFERENCE: INTERNAL AFFAIRS

REF: PARIS 18230

SUMMARY. ALTHOUGH PRIMARILY DEVOTED TO FOREIGN POLICY, GISCARD'S SECOND PRESS CONFERENCE SHEDS SOME LIGHT ON HIS DOMESTIC POLITICAL STRATEGY. WITHOUT TAKING ANY NEW MEASURES AGAINST INFLATION, HE PLANS TO CONTINUE THE GRADUAL REFORMIST APPROACH THAT HAS MARKED HIS FIRST NINE MONTHS IN OFFICE. HE CONTINUES TO WOO THE

GAULLISTS, PUTS THE OPPOSITION ON NOTICE THAT HE EXPECTS IT TO BEHAVE RESPONSIBLY, AND STRESSES THAT THERE ARE NO EARLY ELECTIONS IN VIEW. AS IN HIS FIRST PRESS CONFERENCE IN JULY (REFTEL) DEVOTED SOLELY TO DOMESTIC AFFAIRS, GISCARD GAVE A FORCEFUL, IMPRESSIVE PERFORMANCE, PRESENTING AN IMAGE OF A CONCERNED BUT CONFIDENT PRESIDENT WHO WILL MAKE THE GRADUAL CHANGES NECESSARY TO CORRECT FRANCE'S PROBLEMS. YET IN THE ABSENCE OF ANY GRAND DESIGN -- WITH THE ECONOMIC SITUATION WORSENING AND UNEMPLOYMENT BEGINNING TO RISE -- IT REMAINS TO BE SEEN WHETHER THIS APPROACH WILL SATISFY THE ELECTORATE'S DEMAND FOR MORE STRENUOUS MEASURES, OR WILL BE SUFFICIENT TO MEET THE ECONOMIC PROBLEMS CONFRONTING FRANCE TODAY. END SUMMARY.

1. THE ELYSEE HAD ANNOUNCED EARLIER THAT GISCARD'S OCTOBER 24 PRESS CONFERENCE WOULD BE DEVOTED TO FOREIGN AFFAIRS, AS HIS JULY 25 PRESS CONFERENCE HAD BEEN LIMITED TO DOMESTIC POLICY. BY SPENDING NEARLY HALF OF THE ONE HOUR AND FIFTY MINUTES ON INTERNAL MATTERS, GISCARD SHOWED HIS RECOGNITION OF THE FRENCH PUBLIC'S PREOCCUPATION WITH INFLATION, UNEMPLOYMENT, THE ECONOMY AND THEIR OWN IMMEDIATE FUTURE.

2. ECONOMIC SCENE: NO DOUBLE-DIGIT INFLATION. GISCARD USED SOME OF HIS STRONGEST LANGUAGE IN COMMENTING THAT FRANCE WILL BE DESTROYED BY A CONTINUING INFLATION IN DOUBLE FIGURES. HE CLAIMED THAT THE GOVERNMENT'S MEASURES WERE MOVING THE ECONOMY IN THE RIGHT DIRECTION. IN ECHOING GOF'S PERENNIAL DILEMMA BETWEEN INFLATION LIMITED OFFICIAL USE

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AND UNEMPLOYMENT, HE DEFINED THE CURRENT PROBLEM AS A MATTER OF CONTINUING ANTI-INFLATION MEASURES, WHILE GIVING NECESSARY SUPPORT TO ECONOMIC ACTIVITY AND TO EMPLOYMENT. HOLDING TO HIS WORD THAT NO NEW MEASURES WILL BE TAKEN THIS FALL, THE PRESIDENT INDICATED THAT THE GOVERNMENT WILL STICK TO ITS GOAL OF REDUCING PRICE INCREASES TO A ONE PERCENT MONTHLY RATE BY DECEMBER, AND A 0.5 PERCENT MONTHLY RISE BY THE MIDDLE OF 1975.

HE REPEATED GOF OBJECTIVE OF REDUCING INFLATION FROM ITS PRESENT LEVEL OF 14 - 15 PERCENT TO 6 OR 7 PERCENT BY THE MIDDLE OF NEXT YEAR. HE ALSO REFERRED PROUDLY TO FRANCE'S NEW GUARANTEED 12-MONTH FULL SALARY UNEMPLOYMENT BENEFITS AS A REVOLUTIONARY MEASURE WHICH EXISTS NOWHERE ELSE. (PARIS 24426).

3. DOMESTIC POLITICS. GISCARD'S POLITICAL MESSAGE WAS ONE OF REASSURANCE FOR THE GAULLISTS, AND AN INVITATION FOR AN ENLARGED MAJORITY TO RALLY AROUND ITS PRESIDENT. JUST AS HIS FOREIGN POLICY STATEMENTS (SEPTELS) GAVE THE UDR LITTLE TO CRITICIZE, HE TRIED TO CALM THE MAJORITY'S DOMESTIC CONCERNS BY STRESSING THAT THERE ARE NO EARLY ELECTIONS IN VIEW, THAT CHIRAC IS AN EXCELLENT PRIME MINISTER, AND THAT THE GOVERNMENT WILL LEAVE DEPUTIES FREE TO VOTE THEIR CONSCIENCE IN ADOPTING OR REJECTING THE CONTROVERSIAL ABORTION BILL LATER THIS FALL. IN EFFECT HE THANKED THE UDR FOR ITS NEARLY

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----- 126669

O R 281256Z OCT 74

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UNANIMOUS SUPPORT ON ALL KEY ASSEMBLY VOTES UP TO NOW.
HE SEEMED TO BE SAYING THAT PARLIAMENT CAN HAVE SOME
FREEDOM OF ACTION SINCE THE FRENCH EXECUTIVE BRANCH IS
STABLE.

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4. GISCARD ADDRESSED THE OPPOSITION SQUARELY WITH AN
OFFER TO MEET WITH ITS LEADERS (AS WELL AS THOSE OF
THE MAJORITY) BEFORE THE END OF NOVEMBER TO DISCUSS
THE INTERNATIONAL SITUATION IN LIGHT OF THE EC SUMMIT,
AND GISCARD'S DECEMBER MEETINGS WITH BREZHNEV AND
PRESIDENT FORD. AT THE SAME TIME HE COUPLED THIS OFFER
WITH A VAGUE WARNING TO THE OPPOSITION TO BEHAVE
RESPONSIBLY; IT WAS PROBABLY NOT BY ACCIDENT THAT GIS-
CARD CHOSE TO HOLD HIS PRESS CONFERENCE AT THE SAME
TIME THAT GEORGES MARCHAIS WAS MAKING A MAJOR SPEECH IN
OPENING THE PCF EXTRAORDINARY CONGRESS.

5. JOBERT'S POLITICAL MOVEMENT. ASKED WHETHER MICHEL
JOBERT'S PERIPATETICS BOTHERED OR AMUSED HIM, GISCARD
CONTENTED HIMSELF WITH AN ENIGMATIC "NO COMMENT".
WHILE JOBERT MIGHT BE TEMPTED TO POINT TO THIS AS
EVIDENCE THAT GISCARD IS AFRAID TO TAKE HIM ON, IT
SEEMS CLEAR THAT GISCARD DOES NOT WANT TO DIGNIFY
JOBERT'S ANTICS BY DETAILED COMMENT AT THIS POINT.

6. LABOR TROUBLES AND OTHER MATTERS. GISCARD EMPHASIZED
THAT THE GOVERNMENT HAD NO PLANS FOR GASOLINE RATIONING
BUT SPEED WILL BE CONTROLLED. ON THE PTT POSTAL STRIKE,
HE INDICATED THAT A DIALOGUE WITH THE UNIONS WAS POS-
SIBLE, AND DENIED THERE WERE ANY PLANS TO PLACE THE
POSTAL SYSTEM IN PRIVATE HANDS. ON THE ORTF AND ITS
CONTINUING LABOR DIFFICULTIES, HE SAID HE THOUGHT IT
PREFERABLE TO MAINTAIN THE JANUARY 6 DATE VOTED BY

PARLIAMENT FOR PUTTING THE NEW ORGANIZATION IN PLACE.

7. COMMENT. APART FROM HIS PLAN TO MEET WITH THE OPPOSITION NEXT MONTH, GISCARD OFFERED NO NEW INITIATIVES IN HIS DOMESTIC POLICY. INSTEAD, HE ARGUED THAT FRANCE COULD NOT BE BLAMED FOR A WORLD-WIDE PROBLEM. ONE HAD THE FEELING THAT GISCARD WAS TRYING TO PROJECT SOME OF THE SAME CHARISMA TO THE PUBLIC AS DID HIS FIFTH REPUBLIC PREDECESSORS. HE SAID HE HAD NOT HEEDED THE PRESS AND OPPOSITION CLAMOR FOR STRAIGHT TALK IN SEPTEMBER BECAUSE THINGS WERE EVOLVING RAPIDLY AND HE DID NOT WANT TO LOCK HIMSELF INTO A POSITION. HE DID INDICATE, HOWEVER, THAT HE WILL REPORT PERIODICALLY BY LIMITED OFFICIAL USE

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TV AND RADIO ON THE INTERNAL SITUATION STARTING NEXT MONTH. WITH INCREASED UNEMPLOYMENT AND NO REAL BREAK IN FRANCE'S PROBLEMS WITH INFLATION AND BALANCE OF PAYMENTS, IT MAY TAKE MORE THAN A SERIES OF FIRESIDE CHATS TO SATISFY THE FRENCH PUBLIC IF THE WINTER TURNS COLD. STONE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LIMITED OFFICIAL USE
Control Number: n/a
Copy: SINGLE
Draft Date: 25 OCT 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974PARIS25401
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19741014/aaaaaldy.tel
Line Count: 248
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 74 PARIS 18230
Review Action: RELEASED, APPROVED
Review Authority: golinofr
Review Comment: n/a
Review Content Flags:
Review Date: 03 APR 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <03 APR 2002 by boyleja>; APPROVED <06-Aug-2002 by golinofr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GISCARD PRESS CONFERENCE: INTERNAL AFFAIRS
TAGS: PGOV, FR
To: SECSTATE WASHDC MOSCOW BONN BRUSSELS COPENHAGEN DUBLIN THE HAGUE LONDON
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005